

A green standard in hospitality

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Belinda Hindmarsh: Good morning. Good afternoon. Good evening. And wherever you are in the world, welcome to Business Travel on the fly. My name is Belinda Hindmarsh from CWT, and I'm joining you from Rome, Italy today. My background, I've spent the last 20 plus years in the travel tech space, working with some airlines with OTAs and in the hotel space, and currently hold the position of Chief growth officer at CWT, overseeing growth initiatives and spearheading the commercial development of RoomIt which is CWT's ever evolving global hotel offering. So today, I'm delighted to have the opportunity to discuss the sustainable travel practices, and how the need to accurately measure carbon emissions is shaping our industry. And how can we fast forward to a place where a framework exists, and hotels can finally be recognized for all of the responsible business actions they've been taking?

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I'm delighted to be joined by Kit Brennan, founder of Thrust Carbon, a carbon intelligence platform that helps businesses achieve their sustainability objectives, and an absolute true expert in this arena. Thank you for joining us today, Kit.

Kit Brennan: Hi Belinda, thank you so much for inviting me to be here to chat today. I'm one of the founders here at Thrust Carbon. And I focus on all things, all things products and methodology. And at Thrust, we're very focused on a world where our actions don't have to cost the earth and how in particular can we get travel to be effortlessly green? So that's why we're so excited by our partnership with CWT. CWT customers will already start to see the outcomes of these partnerships with things like our hotel sustainability score right there in winter sale and information around carbon for air, hotel, and soon rail and car.

Belinda Hindmarsh: Fabulous. And we do have quite a lot we were going to try and get through today in our 20 minutes, we'll see how we go. But certainly diving into some of the hot topics of a TVA green standard in hospitality, you know, it is a broad and complex topic, right? We've talked about this, and for sure, there's many different angles, but we do hope to cover some of the current hottest topics, such as, you know, why is achieving a consistently applied standard, seemingly so much harder in the hotel space than it is for air? And, you know, talk about what the industry can do to provide more transparency and greater measures for everyone to work with, you know, hopefully also we can explore what opportunities are out there, you know, what are we seeing what ideas are there out there? And what would have a truly meaningful impact for the future of our planet and in our industry in hospitality?

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So all that said, let's dive in, shall we? We'll get to it. So one of the things I wanted to call out, you know, the tourism industry accounts for approximately 5% of global carbon emissions, right. And we believe that hotel, the hotel sector, or at least according to UN WTO, generates approximately 20% of that 5%. In terms of emissions. Hotel operators know the world has changed, right? It doesn't matter who you speak to, everyone has recognized the importance of minimizing the environmental impact of their operations. And everyone's really keen to do what they can to reduce their carbon footprint. Kit, I'd love to hear from you. What are some of the key challenges you see for hotels versus airlines, when it comes to sustainable business practices, and the addressing the need to measure the carbon footprint output.

Kit Brennan: Unfortunately, as an industry, sustainability, is always very focused on airlines. And there's a good reason for that. Aviation does account for a significant majority of emissions of the travel industry. But ultimately, we have to get to net zero. And getting to net zero means everyone, every part of the travel industry getting to net zero, and that includes the hotel sector as well. And in terms of the challenges, interestingly, in some ways, aviation has a harder challenge and in some ways they've got needs a challenge, and it's harder because technologically, there are some huge hurdles to cross, but it's easier because there is one thing that they really have to focus on. And that thing is how to make aviation fuel sustainable and that's either replacing it with batteries or hydrogen or it's artificially made fuel. You look at the hotel sector, and you start to see a myriad of things which all need to be worked out in tandem. And it's mind boggling large. You have the food, you have how you're carrying your hotel, you have the construction of the hotel itself, you have all the amenities, your single use plastics and and then everything in a wider ESG sense, you know, are hotels doing everything they can around around modern slavery?

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It's all part of this big ESG picture. But of course, Net Zero is, is one of the big goals of all of this.

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And in terms of getting those challenges over the line and really getting to getting to a standard, so that we can reach net zero, the challenge then is how do we get everyone to agree. And right now, there are, there was some measurement standards for hotels. So we have the HCMI hotel carbon measurement initiative. And we have the HWMI, the hotel water measurements initiative. And in both cases, it's kind of a standardized set for calculating carbon and water usage in a hotel. So you can say on for an occupied room, this is how much carbon or water it uses.

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And that's great. But there's a long way to go with that, there's a lot that isn't taken into account, for example, food and beverage emissions, embodied carbon in the construction of the building itself. And, so we really have to start moving these standards on. And then after that, we need to start looking at transparency. It's one thing if a hotel is measuring what their carbon looks like, but

trying to find out what that carbon is from a hotel is really difficult because normally it's not shared. And there's no public sharing of these numbers in general, except in a kind of aggregated way that's useless to an end consumer. So there's a lot of things to do for the hospitality industry.

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Don't get me wrong, we're going to talk about some great improvements and some great steps that are already happening. But it really is a challenge. And transparency really is the name of the game. Yeah.

Belinda Hindmarsh: Got it. No, that's a key factor, right. And my understanding is the measures that are in place today, like the HCMI, it's voluntary participation, right. So there's no enforcement that anyone needs to deal with the hotels don't need to participate. And they certainly don't need to share the data outputs, which to your point is a challenge for travelers who want to know or want to have informed decisions when they're purchasing their travel to make sure that they're looking at more sustainable options.

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Also, you call out another good point, which is doesn't include it doesn't include everything, right? So even though it gets some part of the way to measure some of the impact. It's not encompassing of everything that could have an impact on the environment. In your view, how do we evolve from here? You know, what does it take to get to a global standard? And what could that look like? In your view?

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Kit Brennan: You're right to say, how do we evolve? I'm not saying that we should we should scrap the current standards, they are a great first approach. But I think it is time that we evolved them, we start looking at more and more things. And we start saying, Okay, how does this get reported publicly? And how does that get shared with with the wider industry? Ultimately, what everyone needs is that point of sale to be able to know what's the most sustainable hotel.

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And, without accurate carbon data on a property level that can be quite difficult. We have a lot of magic behind the scenes to put together our hotel Sustainability Index, which is a ranking of one 400 for every hotel in the world. And that's what CWT is using for dynamically ranking every hotel and its sustainable hotels such and that's great. But if we could get even more carbon data, and if the wider industry could get even more carbon data, then you could really start educating customers at point of sale. And really start to evolve that discussion.

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So it's about expanding this methodology, and then having a common system that everyone needs to report in to. And then ultimately, we even need to see something happen on an industry body level to create to make that happen, and a standardized, transparent way. All governments will need to step in and demand that hotels stop publicly sharing this data. But if we bring it right down from the top level of governments and industry bodies down to the consumer level, Belinda, what are you hearing from from your customers? Is there demand for better data at point of sale? How do you hear about this?

Belinda Hindmarsh: It's actually a good point as well, because I was going to ask you, you know, who is this owner of sorting and like, who's responsible for driving this agenda? Right. And you mentioned, you mentioned some of the government and industry bodies and the role that they could play. But you're right. It's also consumers who vote with their feet, right?

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The good news is that our customers are very committed. So late last year, we ran a survey and two out of three of our customers actually was one that was 78% said that they really care about sustainability goals and it's become one of their top five priorities within all of their organizations. And this is across the spectrum of industries, right?

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Not only are they looking for robust sustainability analytics and reporting, like the reporting and the in the point of sale data that we have now with Thrust Carbon, they really want to have additional tools to support them and making sure that they can inform their travelers to make more informed decisions. So this is a real true driver for us. I don't think I've seen an RFP come across the door in the last call it, two years where there hasn't been questions about sustainability.

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It really is driving factor in choice.

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And I think that, you know, all in all, we do expect greater scrutiny of businesses and business trips going forward as well. Organizations are really trying to think more carefully about, you know, when is the right time to travel and sit face to face, it has changed, right COVID has changed some things and thinking around, when is the right time to travel, it's not that travel is going away. I think that there's a different emphasis on travel. And companies are trying to figure out, you know, the sweet spot between cost and sustainability and employee well being, which is another major driver right now. You know, lots of customers are talking to us and working with our

consultants, our eco responsible travel consulting team to figure out the sweet spot there, to make sure that we're getting a balance for employee wellbeing and greener travel.

Kit Brennan: That's such a good point for employee well being. It's so crucial, millennials and Gen Z consistently rank the climate disaster as the single greatest issue of their generation. And time and time again, companies are starting to report that they're losing employees because of their ESG goals. And so it's an employee wellbeing thing, because they want to know that they're supporting the planet, when they have to travel for business, they don't want to feel like part of the problem. And if it means that companies can retain employees for longer, then terrific, there's a financial incentive, again, for the ESG goals. And ultimately, we kind of, it's true, but we need to look at it in a financial sense. If people are voting with their feet, hotels will accelerate their ESG efforts, and that will help the planet. And likewise, for companies, if employees and their customers are voting with their feet, because the company is not focusing on ESG, then again, that's going to accelerate the company's efforts. So I'm a big believer in if we can make the financial goals aligned, then we really will accelerate our efforts to net zero.

Belinda Hindmarsh: Yeah, no, I'm with you on that. Absolutely. I was shocked to learn recently that since I think it was q4, last year, around 90% of our engagement or consulting engagements, were really focused on exactly this, it was all about eco responsible travel, hotel solutions group getting the right hotels in the program. And the balance, the well being and the green travel balance was just top of mind. And I think that ultimately, if you think about it, sustainability needs to be built into the travel program, not as a bolt on right. And that's what we're, you know, as we feel it feel our role as a TMC is we're responsible to help find that sweet spot for our customers who are definitely asking for it. So that's good news, I would say in terms of driving the agenda, making sure that collectively we get to a better place in time. Let's talk a little bit about tech. So obviously, having point of sale information is helping drive change in real time, right. So it's not about offsetting, it's about actually making more sustainable decisions when booking travel. What other things could you see coming in the tech space? How do you see the role of tech in the future of greener hospitality?

Kit Brennan: There's two sides to the market on this. There's the tech that impacts the end consumers. And then there's the tech that helps make hoteliers more efficient. And there's a lot of exciting progress and startups on both sides. On the consumer side, I think some of the innovations that are coming are things like carbon budgets, so that not only do you see your carbon information at point of sale, but you can also you can see how much carbon you have left to use that year. And that carbon budget will progressively get smaller every year as we approach whatever your company's net zero goal is, at least by 2050. Hopefully sooner, and that's very much part of the future. And that way, again, it's not just at that point, displaying carbon nation upon sale, but it's also gently, really pushing people to have to choose the more sustainable options as well. And again, that will accelerate the industry and put more pressure on hotels because they obviously want to use up less their carbon budget, to win more business. On the hotelier side, I think there's there's a lot of innovation that is still on this side of the Atlantic that's slowly going across to the Americas and the APAC region. Things like having hotel rooms where the whether the aircon switches off when you're not in the room. It's such a minor thing, but actually it has a huge impact on the energy footprint of the hotel. And so more and more innovation just around energy uses, it's very important.

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Some things are maybe not technological, but I think technology will help support the decision making but the energy impact of food and measuring food miles. Hotel buffets are incredibly inefficient. There's so much waste, food has been flown in from all over the world to make that delicious looking buffet. And don't get me wrong, I enjoy one as much as the next person. But from a sustainability standpoint, really hard to justify. And again, I think often the hotels just aren't aware of things, because you don't see the footprint when you buy an item. So easier and more straightforward tracking for hotel that I think is going to really help.

Belinda Hindmarsh: It sounds like lots of missed opportunities, right? There's an awareness issue from a hotel supplier perspective, potentially even from a traveler perspective. And I'm with you on the energy footprint. Yeah, it's just two weeks ago, I was staying at a property in the US. Yep, first thing I do as a European traveler, I turn off the aircon. It's not something I have at home, so it's not something I necessarily need in my hotel room either. And the irony was, I couldn't turn it off. So even though I didn't even want it on, it was beaming COVID air through my room. It just felt like such a waste. You know, surely through technology to your point earlier, we could get to a place where similar to heating your home or putting your aircon on before you get home, we could actually have these things automated, you could turn it on, you know, before you get it back to your room or whatever else so that we wouldn't have this type of waste. But it does sound like this is also an educational issue and thinking about the road ahead, it's not a short road. What are the top tips do you have for travelers so that when they are on the road, they can sort of as responsible in the way that they traveled as possible?

Kit Brennan: There's a lot of classic ones and they almost sound cliché at this point, but they're not, put the towel back on the rack, and fingers crossed the hotel won't won't replace your towel.

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The idea of washing your towel every night is kind of bonkers for a hotel. But that is one of those little things exactly as you have observed. Controlling trying to control that thermostat. If you can, then that definitely helps. And then again, voting with your feet when you go down to the hotel restaurant and you're asked if you want the buffet breakfast or the a la carte breakfast, opt for the a la carte breakfast, it's about a third of the food waste when hotels are serving a la carte. If there's an option on the menu for local food choices, that's terrific. Go for that. And if they don't offer this, go next door to the little deli around the corner and eat there, and really vote with your feet and demonstrate that the thing you value is a hotel who puts sustainability first. And ultimately, maybe you'll have a better experience as well. It's often, sustainability doesn't have to be at the expense of your experience, you might discover a much better restaurant, and you're supporting the local community in the process, which is also terrific.

Belinda Hindmarsh: I love that, there's some really good tips there. So here's a bit of an intimate quickfire question for your kit. If you're up for it.

18:59

How long would you be willing to forego a sheet or a towel change during an extended stay? You talked about overnight, but what's your limit in terms of not having your room serviced?

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Kit Brennan: Oh, that is a terrible question.

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One thing I've learned over the last couple of days is I asked that question around for a few people and everyone has a different answer.

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I think at home, I changed the bedsheets once a week. And I think that's acceptable. And when I'm traveling I think once a week is also reasonable. And with a towel, I'd say three or four days or so if it smells, change it sooner, or if it's like a puddle on the floor.

19:50

Belinda Hindmarsh: I know we're running close to the edge of time here so I thought it would be fun to end with some of the more impressive things that you've seen. So as we talk about green initiatives and the travel space, what have you seen, that's impressed you.

Kit Brennan: Some chains are now directly benefiting people for the opting for a more sustainable option, for example, having extra points if you're not going to have your room cleaned. If we want to really move towards a sustainable future, one thing we have to bring on board is the people who are hesitant to make changes in the name of climate change. And one of the best ways to bring those people on board is to make it worth their while. Yeah, most people don't change their sheets every single day at home. And when they don't care about the planets, they'll say, Sure, change my sheets, when I'm everyday in a hotel, I'm paying for it. But when you say to them, Would you like some extra points in exchange for not replacing your sheets all of a sudden that changes the equation for them. And they opt for the more sustainable option, the green initiatives that are impressive are where it gives a positive alternative. Again, this comes back to food options. Having just one sustainable vegetarian or vegan menu option on your entire menu means that very few people will opt for that when you have a third of your menu that are vegetable based, then often the meat eaters will go for that because they just see something that really appeals to them. So yeah, anything that that makes it a positive.

Belinda Hindmarsh: I love that. And you're right. I mean, I've personally had that experience as well with the benefits as well. So I've already explained I'm already going to hang the sign up on the door. But people that maybe who wouldn't do that, having that additional kind of carrot, if you

will to think twice about it, right, the the Marriott points, one is a great one, or the option to have a drink at the bar once a day for every day, you don't have your room service. You know, these are things that I've seen, and I think are definitely driving awareness as well as perhaps the good outcomes that we're looking for. So I'm with you on that, there's some good things happening in that space. So I know we have to wrap up. We could talk about this for hours, right.

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But it's certainly a big topic. And hopefully we'll have a chance to talk again about this in the near future, Kit. There's still a ton of work to be done to get to a point where we have the clarity and the transparency to make sure we hit that net neutral, hopefully sooner than 2050. So thank you again for joining us.

Kit Brennan: Thank you so much for hosting me. This has been a really terrific chat and I hope we do get to talk about it again soon.

Belinda Hindmarsh: And if you're keen to find out more about the future of travel, and work from experts all over the world, subscribe on Spotify, Apple podcast, or wherever you get your podcasts. Thank you to all our listeners today and goodbye for now. Until next time we meet on the fly.